THE

TWENTY-FIFTH LEGISLATURE

STATE OF HAWAII

REGULAR SESSION OF 2009

JOURNAL OF THE HOUSE

FIRST DAY

Wednesday, January 21, 2009

In accordance with the provisions of Section 10 of Article III of the Constitution of the State of Hawaii, the House of Representatives of the Twenty-Fifth Legislature of the State of Hawaii, Regular Session of 2009, convened at 10:04 o'clock a.m.

The Honorable Mark M. Nakashima, being the Representative who was elected from the First Representative District of the State of Hawaii, called the House to order at 10:04 o'clock a.m.

The Members of the House, guests, and audience rose for the presentation of our Nation's and our State's Colors by the Farrington High School Junior Reserve Officers Training Corps. The singing of the National Anthem and *Hawaii Pono'i* was led by Kaimuki High School Ohana O Mele, thereafter the recitation of the Pledge of Allegiance was led by Master Jay Chang, a student at Haaheo Elementary School.

The invocation was then delivered by Mr. Nolan Tokuda of Leilehua High School.

INTRODUCTION OF RESOLUTION

The following resolution (H.R. No. 1) was read by the Temporary Clerk and was disposed of as follows:

H.R. No. 1, entitled: "HOUSE RESOLUTION ELECTING THE TEMPORARY CHAIR OF THE HOUSE OF REPRESENTATIVES OF THE TWENTY-FIFTH LEGISLATURE," declaring the Honorable Mark M. Nakashima, Representative from the First District, as the duly elected Temporary Chair of the House of Representatives of the Twenty-Fifth Legislature, was jointly offered by Representatives Herkes and Marumoto.

On motion by Representative Herkes, seconded by Representative Marumoto and carried, H.R. No. 1 was adopted.

Representative Nakashima then stated:

"Members of the House of Representatives of the Twenty-Fifth State Legislature, I am honored to serve as your Temporary Chair this morning. Thank you. Let us commence with the Order of the Day."

The Temporary Chair appointed Patricia Mau-Shimizu as Temporary Clerk of the House of Representatives.

The Temporary Chair then appointed Representatives Karamatsu, Ito and Marumoto to the Committee on Credentials.

SPECIAL COMMITTEE REPORT

Representative Karamatsu for the Committee on Credentials, presented a report (Spec. Com. Rep. No. 1) as follows:

"Your Committee on Credentials begs leave to report that is has thoroughly considered the matter of the seating of the members elect of the House of Representatives of the Twenty-fifth Legislature of the State of Hawaii, Regular Session of 2009, and finds that, based on the certificates of election issued by the Office of Elections on November 24, 2008

(attached), and the Message From the Executive Chambers issued by the Governor on January 14, 2009, relating to an appointment to fill the remaining term of the late Robert Nakasone in the Ninth District (attached), the Members elect and the Member appointed are duly qualified to sit as Members of the House of Representatives as follows:

First District: Mark M. Nakashima

Second District: Jerry L. Chang

Third District: Clift Tsuji

Fourth District: Faye P. Hanohano

Fifth District: Robert N. Herkes

Sixth District: Denny Coffman

Seventh District: Cindy Evans

Eighth District: Joseph M. Souki

Ninth District: Gilbert S.C. Keith-Agaran

Tenth District: Angus L.K. McKelvey

Eleventh District: Joe Bertram, III

Twelfth District: Kyle T. Yamashita

Thirteenth District: Mele Carroll

Fourteenth District: Hermina M. Morita

Fifteenth District: James Kunane Tokioka

Sixteenth District: Roland D. Sagum, III

Seventeenth District: Gene Ward

Eighteenth District: Lyla B. Berg

Nineteenth District: Barbara C. Marumoto

Twentieth District: Calvin K.Y. Say

Twenty-First District: Scott Y. Nishimoto

Twenty-Second District: Scott K. Saiki
Twenty-Third District: Tom Brower

Twenty-Fourth District: Isaac W. Choy

Twenty-Fifth District: Della Au Belatti

Twenty-Sixth District: Sylvia Luke

Twenty-Seventh District: Corinne W.L. Ching

Twenty-Eighth District:

Twenty-Ninth District: Joey Manahan

Thirtieth District: John M. Mizuno

Karl Rhoads

Thirty-First District: Glenn Wakai

Thirty-Second District: Lynn Finnegan

Thirty-Third District: Blake K. Oshiro

Thirty-Fourth District: K. Mark Takai

Thirty-Fifth District: Henry J.C. Aquino

Thirty-Sixth District: Roy M. Takumi

Thirty-Seventh District: Ryan I. Yamane

Thirty-Eighth District: Marilyn B. Lee

Thirty-Ninth District: Marcus R. Oshiro

Fortieth District: Sharon E. Har

Forty-First District: Jon Riki Karamatsu

Forty-Second District: Rida Cabanilla

Forty-Third District: Kymberly Marcos Pine

Forty-Fourth District: Karen Leinani Awana

Forty-Fifth District: Maile S.L. Shimabukuro

Forty-Sixth District: Michael Y. Magaoay

Forty-Seventh District: Jessica Wooley

Forty-Eighth District: Ken Ito

Forty-Ninth District: Pono Chong

Fiftieth District: Cynthia Thielen

Fifth-First District: Chris Lee"

The report was submitted by Representatives Karamatsu, Ito and Marumoto, with the following Certificates of Election and Governor's Message attached:

















CHIEF CARK'S OFFICE

EXECUTIVE CHAMBERS

RECEIVED
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3PEAKER'S OFFICE

January 14, 2009

GOVERNOR'S MESSAGE

The Honorable Calvin K.Y. Say House Speaker and Members of the House Hawaii State House of Representatives Twenty-Fifth State Legislature State Capitol, Room 431 Honolulu, HI 96813

Dear Speaker Say:

In accordance with the provisions of Chapter 17, Section 4 of the Hawaii Revised Statutes, it is my honor to appoint Gilbert Keith-Agaran to fill the remaining term of the late Robert Nakasone as the member from the Ninth Representative District, House of Representatives, Twenty-Fifth Legislature, State of Hawaii.

Sincerely,

















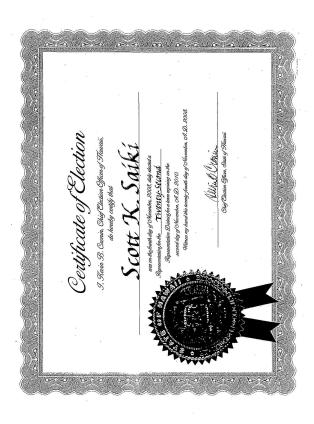








































Henry James C. Agum

Certificate of Clection

I, Tenin B. Ceanin, Chief Clection Officer of Ha do hoveby certify that

































On motion by Representative Karamatsu, seconded by Representative Ito and carried, the report of the Committee was adopted.

The Temporary Chair directed the Temporary Clerk to call the Roll, which being done disclosed that the following members were present: Representatives Henry J.C. Aquino, Karen Leinani Awana, Della Au Belatti, Lyla B. Berg, Joe Bertram, III, Tom Brower, Rida Cabanilla, Mele Carroll, Jerry L. Chang, Corinne W.L. Ching, Pono Chong, Isaac W. Choy, Denny Coffman, Cindy Evans, Lynn Finnegan, Faye P. Hanohano, Sharon E. Har, Robert N. Herkes, Ken Ito, Jon Riki Karamatsu, Gilbert S.C. Keith-Agaran, Chris Lee, Marilyn B. Lee, Sylvia Luke, Michael Y. Magaoay, Joey Manahan, Barbara C. Marumoto, Angus L.K. McKelvey, John Mizuno, Hermina M. Morita, Mark M. Nakashima, Scott Y. Nishimoto, Blake K. Oshiro, Marcus R. Oshiro, Kymberly Marcos Pine, Karl Rhoads, Roland D. Sagum, III, Scott K. Saiki, Calvin K.Y. Say, Maile S.L. Shimabukuro, Joseph M. Souki, K. Mark Takai, Roy M. Takumi, Cynthia Thielen, James Kunane Tokioka, Clift Tsuji, Glenn Wakai, Gene Ward, Jessica Wooley, Ryan I. Yamane and Kyle T. Yamashita, a total of fifty-one.

At 10:17 o'clock a.m., the Temporary Chair declared a recess, subject to the call of the Chair.

At this time, the Members of the House, their guests and audience were entertained by "Con Passione" – Moanalua High School Chamber Orchestra.

The House of Representatives reconvened at 10:40 o'clock a.m.

The Temporary Chair then appointed the Sergeant-at-Arms to escort the Honorable Ronald T.Y. Moon, Chief Justice of the State of Hawaii, to the rostrum and requested that he administer the Oath of Office to the Members of the House.

Chief Justice Moon assumed the rostrum and gave the following remarks:

"Good morning ladies and gentlemen, and aloha. First of all, allow me to thank the Members of the House of Representatives, and in particular, Speaker Say for giving me the honor of administering the oath of office to the Members of the House of Representatives elect.

"Now, before I administer the Oath of Office, allow me to say what I've said a few times before. My father, we grew up in Wahiawa, he was a consummate public servant. He would always say as I was growing up, that public service is the rent one pays for the space he or she occupies here on earth. I am totally cognizant that the Members of the House will be paying more than their share of rent."

OATH OF OFFICE

The Honorable Ronald T.Y. Moon, Chief Justice of the State of Hawaii, called upon the Members of the House of Representatives who had been elected to serve in the Twenty-Fifth Legislature of the State of Hawaii to rise, and the oath office was administered in accordance with the provisions of the Constitution of the State of Hawaii, to the following Members of the House:

FIRST DISTRICT:

Mark M. Nakashima

SECOND DISTRICT:

Jerry L. Chang

THIRD DISTRICT:

Clift Tsuii

FOURTH DISTRICT:

Faye P. Hanohano

FIFTH DISTRICT:

Robert N. Herkes

SIXTH DISTRICT:

Denny Coffman

SEVENTH DISTRICT:

Cindy Evans

EIGHTH DISTRICT:

Joseph M. Souki

NINTH DISTRICT:

Gilbert S. C. Keith-Agaran

TENTH DISTRICT:

Angus L. K. McKelvey

ELEVENTH DISTRICT:

Joe Bertram, III

TWELFTH DISTRICT:

Kyle T. Yamashita

THIRTEENTH DISTRICT:

Mele Carroll

FOURTEENTH DISTRICT:

Hermina M. Morita

FIFTEENTH DISTRICT:

James Kunane Tokioka

${\bf SIXTEENTH\ DISTRICT:}$

Roland D. Sagum, III

SEVENTEENTH DISTRICT:

Gene Ward

EIGHTEENTH DISTRICT:

Lyla B. Berg

NINETEENTH DISTRICT:

Barbara C. Marumoto

TWENTIETH DISTRICT:

Calvin K. Y. Say

TWENTY-FIRST DISTRICT:

Scott Y. Nishimoto

TWENTY-SECOND DISTRICT:

Scott K. Saiki

TWENTY-THIRD DISTRICT:

Tom Brower

TWENTY-FOURTH DISTRICT:

Isaac W. Choy

TWENTY-FIFTH DISTRICT:

Della Au Belatti

TWENTY-SIXTH DISTRICT:

Sylvia Luke

TWENTY-SEVENTH DISTRICT:

Corinne W. L. Ching

TWENTY-EIGHTH DISTRICT:

Karl Rhoads

TWENTY-NINTH DISTRICT:

Joey Manahan

THIRTIETH DISTRICT:

John M. Mizuno

THIRTY-FIRST DISTRICT:

Glenn Wakai

THIRTY-SECOND DISTRICT:

Lynn Finnegan

THIRTY-THIRD DISTRICT:

Blake K. Oshiro

THIRTY-FOURTH DISTRICT:

K. Mark Takai

THIRTY-FIFTH DISTRICT:

Henry J. C. Aquino

THIRTY-SIXTH DISTRICT:

Roy M. Takumi

THIRTY-SEVENTH DISTRICT:

Ryan I. Yamane

THIRTY-EIGHTH DISTRICT:

Marilyn B. Lee

THIRTY-NINTH DISTRICT:

Marcus R. Oshiro

FORTIETH DISTRICT:

Sharon E. Har

FORTY-FIRST DISTRICT:

Jon Riki Karamatsu

FORTY-SECOND DISTRICT:

Rida Cabanilla

FORTY-THIRD DISTRICT:

Kymberly Marcos Pine

FORTY-FOURTH DISTRICT:

Karen Leinani Awana

FORTY-FIFTH DISTRICT:

Maile S. L. Shimabukuro

FORTY-SIXTH DISTRICT:

Michael Y. Magaoay

FORTY-SEVENTH DISTRICT:

Jessica Wooley

FORTY-EIGHTH DISTRICT:

Ken Ito

FORTY-NINTH DISTRICT:

Pono Chong

FIFTIETH DISTRICT:

Cvnthia Thielen

FIFTY-FIRST DISTRICT:

Chris Lee

INTRODUCTION OF RESOLUTION

The following resolution (H.R. No. 2) was read by the Temporary Clerk and was disposed of as follows:

H.R. No. 2, entitled: "HOUSE RESOLUTION ELECTING THE SPEAKER AND VICE SPEAKER OF THE HOUSE OF REPRESENTATIVES OF THE TWENTY-FIFTH LEGISLATURE," electing the Honorable Calvin K.Y. Say, Representative from the Twentieth District and Michael Y. Magaoay, Representative from the Forty-Sixth District, as Speaker and Vice Speaker, respectively, of the House of Representatives of the Twenty-Fifth Legislature of the State of Hawaii was jointly offered by Representatives B. Oshiro and Finnegan.

On motion by Representative B. Oshiro, seconded by Representative Finnegan and carried, H.R. No. 2 was adopted.

The Temporary Chair appointed Representatives B. Oshiro, Evans, Finnegan and Pine to escort the newly elected Speaker to the rostrum.

The Temporary Chair then stated:

"Members of the House of Representatives, I present the Honorable Calvin K.Y. Say, the Speaker of the House of Representatives of the Twenty-Fifth Legislature," and presented the Speaker with the gavel.

Speaker Say then addressed the body, stating:

"Members, thank you very much for your vote of confidence and support. To all of you, I pledge that I will execute my duties and responsibilities with fairness, consistent with the Hawaii Constitution and the State statutes."

The Chair then appointed Representatives B. Oshiro and Finnegan to escort the Honorable Michael Y. Magaoay to the rostrum.

The Chair presented the Vice Speaker, stating:

"Members of the House of Representatives, I present the Honorable Michael Y. Magaoay, Vice Speaker of the House of Representatives of the Twenty-Fifth Legislature."

INTRODUCTION OF RESOLUTIONS

The following resolutions (H.R. Nos. 3 and 4) were read by the Clerk and were disposed of as follows:

H.R. No. 3, entitled: "HOUSE RESOLUTION ELECTING THE OFFICERS OF THE HOUSE OF REPRESENTATIVES OF THE TWENTY-FIFTH LEGISLATURE," resolving that the following persons be elected as officers of the House: Patricia Mau-Shimizu, Chief Clerk; Kevin R. Kuroda, Sergeant-at-Arms; C.J. Leong, Assistant Clerk; and Leonard Paresa, Jr., Assistant Sergeant-at-Arms; was jointly offered by Representatives B. Oshiro and Finnegan.

On motion by Representative B. Oshiro, seconded by Representative Finnegan and carried, H.R. No. 3 was adopted.

Thereafter, the Speaker administered the Oath of Office to the officers named.

H.R. No. 4, entitled: "HOUSE RESOLUTION ACKNOWLEDGING AND RECOGNIZING THE CAUCUS LEADERS AND NAMING THE CHAIRS, VICE CHAIRS, AND MEMBERS OF THE STANDING COMMITTEES OF THE HOUSE OF REPRESENTATIVES OF THE TWENTY-FIFTH LEGISLATURE," acknowledging and recognizing the Caucus Leaders and naming the Chairs, Vice Chairs, and members of the Standing Committees of the House of Representatives of the Twenty-Fifth Legislature of the State of Hawaii, Regular Session of 2009, as listed below, was jointly offered by Representatives B. Oshiro and Finnegan:

Majority Leader Blake K. Oshiro

Majority Floor Leader Cindy Evans

Majority Whip Pono Chong

Assistant Majority Whips Jerry L. Chang

Robert N. Herkes

Ken Ito Marilyn B. Lee Roland D. Sagum, III Joseph M. Souki James Kunane Tokioka Kyle T. Yamashita

Minority Leader Lynn Finnegan

Minority Floor Leader Kymberly Marcos Pine

Assistant Minority Leader Cynthia Thielen

Assistant Minority Floor Leader Corinne W.L. Ching

Minority Policy Leader Gene Ward

EDUCATION

Education:

Roy M. Takumi, Chair Lyla B. Berg, Vice-Chair

Joe Bertram, III Jerry L. Chang Faye P. Hanohano Joey Manahan Mark M. Nakashima Karl Rhoads Scott K. Saiki

Maile S.L. Shimabukuro

K. Mark Takai Rvan I. Yamane Corinne W.L. Ching Lynn Finnegan

Higher Education:

Jerry L. Chang, Chair

Mark M. Nakashima, Vice-Chair

Lyla B. Berg

Joe Bertram, III

Faye P. Hanohano

Joey Manahan Karl Rhoads

Scott K. Saiki

Maile S.L. Shimabukuro

K. Mark Takai

Roy M. Takumi

Ryan I. Yamane

Corinne W.L. Ching

Lynn Finnegan

FISCAL MANAGEMENT

Finance:

Marcus R. Oshiro, Chair

Marilyn B. Lee, Vice-Chair

Henry J.C. Aquino

Karen Leinani Awana

Tom Brower

Isaac W. Choy

Denny Coffman

Sharon E. Har

Gilbert Keith-Agaran

Chris Lee

Scott Y. Nishimoto Roland D. Sagum, III

James Kunane Tokioka

Jessica Wooley

Kyle T. Yamashita

Kymberly Marcos Pine

Gene Ward

JUSTICE & CONSUMER PROTECTION

Judiciary:

Jon Riki Karamatsu, Chair

Ken Ito, Vice-Chair

Della Au Belatti Rida Cabanilla

Mele Carroll

Robert N. Herkes

Sylvia Luke

Angus L.K. McKelvey John M. Mizuno

Hermina M. Morita

Blake K. Oshiro

Joseph M. Souki

Clift Tsuji

Glenn Wakai

Barbara C. Marumoto

Cynthia Thielen

Consumer Protection & Commerce:

Robert N. Herkes, Chair

Glenn Wakai, Vice-Chair

Della Au Belatti

Rida Cabanilla Mele Carroll

Ken Ito

Jon Riki Karamatsu

Sylvia Luke

Angus L.K. McKelvey

John M. Mizuno

Hermina M. Morita

Joseph M. Souki

Clift Tsuji Barbara C. Marumoto Cynthia Thielen

LEGISLATIVE MANAGEMENT

Legislative Management:

Lynn Finnegan

James Kunane Tokioka, Chair Blake K. Oshiro, Vice-Chair Pono Chong Cindy Evans

HUMAN SERVICES

Health:

Ryan I. Yamane, Chair Scott Y. Nishimoto, Vice-Chair Della Au Belatti Joe Bertram, III Tom Brower Mele Carroll John M. Mizuno Maile S.L. Shimabukuro Lynn Finnegan

Human Services:

John M. Mizuno, Chair Tom Brower, Vice-Chair Della Au Belatti Joe Bertram, III Mele Carroll Scott Y. Nishimoto Maile S.L. Shimabukuro Ryan I. Yamane Gene Ward

Hawaiian Affairs:

Mele Carroll, Chair Maile S.L. Shimabukuro, Vice-Chair Della Au Belatti Joe Bertram, III Tom Brower John M. Mizuno Scott Y. Nishimoto Ryan I. Yamane Gene Ward

PHYSICAL RESOURCES

Energy & Environmental Protection:

Hermina M. Morita, Chair

Denny Coffman, Vice-Chair Rida Cabanilla Jerry L. Chang Pono Chong Sharon E. Har Robert N. Herkes Ken Ito Chris Lee Sylvia Luke Roland D. Sagum, III Corinne W.L. Ching Cynthia Thielen

Housing:

Rida Cabanilla, Chair Pono Chong, Vice-Chair Jerry L. Chang Denny Coffman Sharon E. Har Robert N. Herkes Ken Ito Chris Lee Sylvia Luke Hermina M. Morita Roland D. Sagum, III Corinne W.L. Ching Cynthia Thielen

Water, Land, & Ocean Resources:

Ken Ito, Chair Sharon E. Har, Vice-Chair Rida Cabanilla Jerry L. Chang Pono Chong Denny Coffman Robert N. Herkes Chris Lee Sylvia Luke Hermina M. Morita Roland D. Sagum, III Corinne W.L. Ching Cynthia Thielen

GOVERNMENT RESOURCES AND PUBLIC SAFETY

Transportation:

Joseph M. Souki, Chair Karen Leinani Awana, Vice-Chair Henry J.C. Aquino Faye P. Hanohano Gilbert Keith-Agaran Marilyn B. Lee Mark M. Nakashima Karl Rhoads Scott K. Saiki Roy M. Takumi Kyle T. Yamashita Kymberly Marcos Pine

Labor and Public Employment:

Karl Rhoads, Chair Kyle T. Yamashita, Vice-Chair Henry J.C. Aquino Karen Leinani Awana Faye P. Hanohano Gilbert Keith-Agaran Marilyn B. Lee Mark M. Nakashima Scott K. Saiki Joseph M. Souki Roy M. Takumi Kymberly Marcos Pine

Public Safety:

Faye P. Hanohano, Chair Henry J.C. Aquino, Vice-Chair Karen Leinani Awana Gilbert Keith-Agaran Marilyn B. Lee Mark M. Nakashima Karl Rhoads Scott K. Saiki Joseph M. Souki Roy M. Takumi Kyle T. Yamashita Kymberly Marcos Pine

ECONOMIC DEVELOPMENT

Agriculture:

Clift Tsuji, Chair Jessica Wooley, Vice-Chair Lyla B. Berg Isaac W. Choy Cindy Evans Joey Manahan Angus L.K. McKelvey K. Mark Takai James Kunane Tokioka Glenn Wakai Barbara C. Marumoto

Tourism, Culture & International Affairs:

Joey Manahan, Chair James Kunane Tokioka, Vice-Chair Lyla B. Berg Isaac W. Choy Cindy Evans Angus L.K. McKelvey K. Mark Takai Clift Tsuji Glenn Wakai Jessica Wooley Barbara C. Marumoto

Economic Revitalization, Business, & Military Affairs:

Angus L.K. McKelvey, Chair Isaac W. Choy, Vice-Chair Lyla B. Berg Cindy Evans Joey Manahan K. Mark Takai James Kunane Tokioka Clift Tsuji Glenn Wakai Jessica Wooley Gene Ward

H.R. No. 4 further states that:

"BE IT FURTHER RESOLVED that if any member of a Standing Committee is called to active duty in the military and is deployed and unavailable to participate in committee activities, then for that period of unavailability, the member shall not be considered a member of that Standing Committee."

On motion by Representative B. Oshiro, seconded by Representative Finnegan and carried, H.R. No. 4 was adopted.

INTRODUCTION OF RESOLUTIONS

The following concurrent resolutions (H.C.R. Nos. 1 and 2) were read by the Clerk and disposed of as follows:

H.C.R. No. 1, entitled: "HOUSE CONCURRENT RESOLUTION RELATING TO RECESS DAYS FOR THE REGULAR SESSION OF 2009," relating to the mandatory recess for the Regular Session of 2009, determined to be the 26th and 27th days of February and the 2nd, 3rd and 4th days of March; and the dates of the recesses, other than the dates of the mandatory recess, for the Regular Session of 2009, determined to be the 27th and 29th days of January, the 9th and 11th days of March, the 1st, 13th and 15th days of April, and the 4th and 6th days of May, pursuant to Article III, Section 10 of the Constitution of the State of Hawaii, was jointly offered by Representatives B. Oshiro and Finnegan.

On motion by Representative B. Oshiro, seconded by Representative Finnegan and carried, H.C.R. No. 1 was adopted.

H.C.R. No. 2, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE GOVERNOR TO ADDRESS THE LEGISLATURE ASSEMBLED IN JOINT SESSION," on the 26th of January at 10:00 a.m., was jointly offered by Representatives Say, Magaoay, B. Oshiro and Finnegan.

On motion by Representative B. Oshiro, seconded by Representative Finnegan and carried, H.C.R. No. 2 was adopted.

At 10:54 o'clock a.m., the Chair declared a recess, subject to the call of the Chair

At this time, the Members of the House, their guests and audience were entertained by the following:

Nanakuli High and Intermediate School Performing Arts Center

Castle Performing Arts Learning Center

Kaimuki High School Ohana O Mele

The House of Representatives reconvened at 12:02 o'clock a.m.

At this time, the Speaker delivered his address, stating:

"Welcome Governor Lingle, Chief Justice Moon, Lieutenant Governor Aiona and Mrs. Aiona, Governor Ariyoshi and Mrs. Ariyoshi, Governor Waihee and Mrs. Waihee, distinguished guests, colleagues, family members, and friends. Welcome to the opening session of the House of Representatives' Twenty-Fifth Legislature.

"A wise man once said: "Be thankful for each new challenge because it will build your strength and character."

"Members, in these times of extraordinary economic and budgetary challenges, we have much for which to be "thankful." Meeting those challenges will surely build on our strength and character.

"The world has experienced a major economic crisis within the past year, a situation that is expected to worsen. UHERO, that is the University of Hawaii Economic Research Organization, predicts that, in the year 2009, "the rich world will be in recession, and developing economies will suffer a sharp reduction in growth rates."

"One statistic that tells the story of the decline of the United States economy is this. Last year, the U.S. stock market lost \$6.9 trillion in value in 2008, wiping out the gains of the previous six years. I asked my two sons and my wife, how many zeros does one trillion have? Do you know or is that number too far out for you to comprehend? Well, to the general public, one trillion is the number "1" followed by twelve "zeros."

"Naturally, the worldwide economic crisis has spilled over into Hawaii's economy. For 2008, visitor arrivals may have decreased, decreased by a double digit percentage. Primarily because of the visitor industry problems, UHERO the University of Hawaii Economic Research Organization projects that the Hawaii unemployment rate will increase to 5.8 per cent in calendar year 2009. The scary part for me will be, the number of jobs will be declining by 1.4 per cent in 2009 after a zero growth increase in 2008.

"For the Members of the House, most telling of our economic slide is the Council of Revenues' projections of general fund tax revenues. On January 9, 2009, the Council projected that the general fund tax revenues in fiscal year 2009 would decline by 3 percentage points.

"Where does this leave us? Between the end of the 2008 Session, for those who were here, and January 9th this year, the slide in the Council of Revenue's projection has resulted in a cumulative budget deficit over three years of \$1.8 billion. We must make up this shortfall. And this will be our major challenge.

"To paraphrase Martin Luther King, Jr., "the true measure of a person is not how the person behaves in moments of comfort and convenience, but how the person stands at times of controversy and challenges."

"What is our true measure? How will we react to the challenges of our State?

"Members, we are no longer in the times of "comfort and convenience" of the past few years that you have experienced. For me, we are facing a budget crisis unmatched in my 32 years in the State House.

"And so consequently, I lay the following challenges on all of us. I challenge all of us to join together to resolve this budget crisis. I pledge to work with the Administration and, obviously, the Senate on a cooperative basis. And why? Everybody has to be a part of the solution.

"I also challenge all of us to focus on our priorities. Passing a balanced budget that protects public health and safety and basic education should be the top priority. Maintaining the economy until growth resumes should be another top priority.

"And there are five basic policies that should guide us in our budget deliberations.

"First, I challenge all of us to maintain a basic safety net of social and health services. We all know of family or neighbors where financial troubles cause the most stress for families, leading into increased substance abuse and domestic violence. We should make sure that troubled families have access to basic State services that may mitigate their social and health problems. Although in these problematic budgetary times we cannot afford to expand such services, we should try our best to maintain a basic level of service.

"I shared with you this afternoon, and imagine this. Imagine just being laid off from your job. You have a mortgage. You no longer have health insurance coverage. You have car payments. Your children need to visit the doctor. And you cannot rely on parents who are on a fixed income for financial support.

"Today, you are able to receive a maximum of \$545 a week, or \$2,180 a month, in unemployment compensation. How far does that take you? You can feed and clothe your family on that amount, but will you have enough left over to pay the mortgage you incurred while employed? Probably not. Will you have enough to pay for major surgery if ill health befalls you? Definitely not!

"And that's why, for the immediate term, we must pay attention to those persons whose misfortunes are not their fault. We should encourage the federal government through its stimulus package to provide basic health care coverage and extended, increased unemployment compensation. After all, all of us know that the federal government provided a massive bailout to financial institutions throughout this country.

"For the mid-term and long-term, we should seek structural reform that may prevent in the future the problems we are experiencing today. And we should not be afraid of considering structural reform in our health system, tax system, our land use and permitting system, and even land tenure system.

"Second, I challenge all of us to maintain the level of education in the classrooms. Education is our greatest investment in our *keiki o ka aina*. We owe to future generations the opportunity to improve themselves and their community and environment. And this opportunity comes from more education. We cannot regress where we are today. We cannot regress.

"And this is not to say that the entire budgets of the Department of Education and University of Hawaii, that you will be sacred. Instructional services necessary for classrooms should be maintained, but central and school administration expenses should be heavily scrutinized.

"Third, I challenge all of us, all of us this afternoon, to avoid the layoff of existing State employees to solve the budget crisis. State employees are valuable assets to this government. They know their jobs, and the great majority perform very well. Layoffs may lead to morale problems and even efficiency problems if civil service bumping procedures have to be implemented.

"This, however, is not to say that State employees will be unscathed while private sector employees are suffering. With great reluctance, we may have to implement some level of reform of State employee benefits in order to maintain basic services, to avoid layoffs, and to balance the budget. The pain should be broadly shared by all rather than concentrated on only an unfortunate few.

"Fourth, I challenge all of us to work with the federal government on the fiscal stimulus packages. We must be willing to complement with State funds, the capital that the federal government sends our way. And this will be a very golden opportunity to fix our infrastructure, advance our renewable energy technology and power sources, provide more health care coverage, build more housing, and increase the military's capability and economic contribution. Of greatest importance, the stimulus package will put our people to work.

"Fifth, I challenge all of us to always be cognizant of the big picture, always aware that a benefit to one special interest group may require a takeaway from another special interest group or the general public. Remember, almost all special interest groups, whether for-profit or nonprofit, have organized memberships with a lobbying presence at the Legislature. Ordinary taxpayers, however, have none. They only have you and me to represent them.

"Finally, I challenge all of us to treat this budget crisis as an opportunity for reform. We should not be afraid of change when for the common good. Challenges require solutions that may unleash our creativity, overturn conventional thinking, and also remove political barriers of fear. One proposal that we should seriously consider is reform of the general excise tax system by repealing various exemptions, and using that savings to decrease, decrease the current four per cent rate. Think about it.

"Another possible proposal is the repeal of various income tax deductions and credits, with a decrease of the lower bracket tax rates. Interest groups who benefit from the exemptions, credits, and deductions should be willing to forgo their special benefits in order to reduce the burden on ordinary persons, families and businesses.

"Someone once said: in a crisis, one cannot wait for the answers before taking action. That will lead to the infamous "paralysis by analysis" status quo. Our common sense, political and life experiences, good faith, and collective wisdom will be our guide in making decisions in a crisis.

"Solving challenges requires "confidence" in oneself and each other. We must have "confidence" in our ability to improve our State -- but a "confidence" built on a foundation of hard work, study, experience, and cooperation.

"I have confidence that together we will be successful in meeting all the challenges facing us.

"This speech has been primarily directed at my colleagues in this House, but I leave the following challenges to you: my friends, families, and members of the general public.

"We should take a simpler approach in trying to solve problems. Many years ago, I could talk directly to industry leaders of Hawaii, such as Doc Buyers, Bobby Pfeiffer, Henry Walker, or Hung Wo Ching, about a problem that a constituent may have had. But for all of us today, no more. In this global economy, Hawaii's industries are owned or controlled by mainland and international investors, who are often unreachable for the Legislative branch to communicate.

"We should exercise more of a social conscience when doing business in Hawaii. Developers should be more than willing to help moderate-income families by building affordable housing. In this respect, I will again push

for a greater affordable housing assessment on developments in the Kaka'ako *mauka* area, the landowners of which benefitted substantially from the State's infrastructure investment there. We should not push all affordable housing into the country. We need communities with mixed-income families so that the rich and poor may come to know each other.

"We should try to keep our land in local ownership. Out-of-state landowners seem not to have an appreciation or understanding of our local businesses. Their bottom line is exclusively the maximum return on their investment. Personally, instead they should work with local lessees or businesses for the mutual benefit of both parties. There should be enough to go around for all. Local lessees and businesses represent the long-term future of Hawaii, and they should not be compromised by out-of-state corporations.

"I recognize that our capitalistic system is based on the profit motive. So those with money, assets, and opportunity should be able to invest freely and make the maximum return if they choose to do so. They, however, would be much more respected in the community if they were satisfied with a more moderate return that left some benefits on the table for others, such as low- or moderate-income housing purchasers or renters.

"Since I have commented on the willingness to face challenges, I would be remiss if I did not mention Representative Mark Takai. Representative Takai, will you please stand? On February 6th, he will report for active duty with the Hawaii Army National Guard and be deployed to Kuwait for six months. Representative Takai, take care of yourself and your fellow Guard members. We all wish you the very best and a safe return home.

"In closing, I would like to say a fond aloha or "good bye" to a very good friend of ours, State Representative Bob Nakasone.

"Bob was a great man because he stood strong during times of controversy and challenges. He was a great man of character. Bob would have relished addressing today's budgetary crisis and would not have been afraid of taking unpopular positions. And Bob had exceptional personal and political courage. He simply did what he thought was right -- what was in the public's best interest for the greater good.

"Members of the House, everything I have talked about here today will require courage and strong convictions. Meeting our challenges will not be easy, and many of the decisions we make will be unpopular. However, if we find the political courage to make those decisions, we can seize the opportunity to address the pressing needs of our State in the short term, and lay the foundation for our highest desires in the long term.

"So with this in mind, I offer this piece of advice as we face the beginning of our Session. When you don't know how to vote on tough issues because you're afraid of the outcome, do what your friend Bob Nakasone would have done: Vote with courage, vote with conviction, and vote for the common good.

"Thank you, and aloha."

The Chair then recognized Representative Finnegan, the Minority Leader, to present the Minority's response.

"Thank you, Mr. Speaker. Governor Lingle, Lt. Governor Aiona, Mrs. Aiona, honored guests, Speaker, colleagues, and you, the people of Hawai'i. Congratulations Hawai'i. This year we celebrate 50 years of statehood. This beautiful state has so much to offer the world, especially with the most recent example of the election of our 44th President of the United States of America. President Barack Obama. I firmly believe our multi-ethnic people and culture, coupled with the aloha spirit helped shape President Obama; a direct contribution to his abilities to win over a nation and bring people together.

"I just returned from a conference where I was able to talk to legislators from a variety of states that are having similar struggles as ours. California's Executive and Legislative branches are feuding with one another and the result is gridlock government on the verge of bankruptcy.

The very thing that we need here in Hawai'i is to not have our differences overcome the goals for this Session.

"Your House Republicans believe, especially in this day and time that we need to support the existing pillars of our economy: tourism, construction, and our military. We also believe we should create an environment to keep our businesses open and growing so labor keeps working. And we need to do these things while ensuring steps are taken toward our long range goals.

"Recently an audit criticized the Hawai'i Tourism Authority for a lack of leadership and vision. Rather than pointing fingers, we need to come together and support HTA in these tough times. For instance, the heritage tourist stays longer, spends more, respects our environment, and wants to understand our history. Working with the heritage tourism industry, we can create a marketing plan for HTA. This could save us time and money.

"In the good times, we routinely ignored infrastructure needs in favor of fancy programs. We need to come together to address these long overdue needs while helping our economy. We need to support the Governor's plan to streamline \$1.9 billion in existing construction projects. Governor Lingle, your administration is taking on a huge responsibility to accomplish the much needed modernization of our airports, harbors and highways. Your aim for transparency and innovation in planning and execution are concepts we can support.

"The military in Hawai'i plays a key part in defending our nation and bolstering our economy. This State has a love-hate relationship with the military. We need to support our military and are proposing legislation to do so.

"Another vital way for us to strengthen the economy is to keep businesses open and to keep labor working. Our people cannot pay their mortgages and their rent without jobs. With our State tax revenue shortfall, government cannot be the answer for everything.

"Like government, businesses are experiencing loss in revenue. Too often, the state looks to squeeze businesses to make the books balance. Businesses, labor, and government need to come together to move us past these economic struggles in a way where businesses can thrive, workers can realize a better quality of life, and government can craft a fiscally sound budget. This is not the time to raise taxes, whether unemployment, insurance, or business fees. Let us commit to making it better for business and find ways to remove unnecessary regulation.

"Let us not underestimate the power of the individual to create their opportunities. I suspect with our unemployment numbers increasing and the job market tightening, people might want to start their own businesses as their chance, their opportunity. Let's encourage the behavior as another source of job growth. Your Republican members also recognize areas where we must step in to help employees directly. We are asking the Legislature and the Governor to partner with us to help protect pensions. Employees should not lose a lifetime of investments earned through their hard work.

"Many times the Legislature gets caught up in the important issues of the day. However, we must simultaneously work to achieve our goals for the future. We owe it to future generations of Hawai'i's people to stay committed to creating better opportunities for them. It is not an option to sacrifice tomorrow for today. This is why your Republican Caucus is committed to the Hawai'i Clean Energy Initiative and Act 221 to truly diversify our economy.

"The Hawai'i Clean Energy Initiative, a partnership between the State of Hawaii and the US Department of Energy, will be offering a proposal that synchronizes a variety of efforts to be able to meet the Renewable Energy Standards Portfolio goal of 70 percent renewable energy by 2030. We are pleased to adopt the recommendations of HCEI. This is not easy for some of us in the Republican Caucus, because of the need for the inclusion of certain mandates. However, we are willing to come together with the Majority on this proposal and the tradeoff is worthwhile.

"Achieving this goal will keep \$7 billion of Hawai'i; s money in Hawai'i; a substantial positive effect for our economy. It is good for the environment and makes us good stewards of our natural resources. It also gives us energy security, which is also economic security.

"Throughout the decades, all of our State's governors have tried to establish another sector of our economy. We scream that we need to diversify our economy, yet many have a hard time in taking that risk and making the investment to do so.

"Act 221, the High Tech Tax Credit has received a lot of negative attention. We need to move past this. We need to come together to realize that the aggressive nature of Act 221's tax credit is needed in order to build a high-tech pillar of our economy. Act 221 is a complicated machine with many gears that works to convince people, companies, technologies, research and money to invest in Hawai'i.

"One investor I interviewed described Hawai'i as a toxic business environment. And if not for Act 221, many companies and their investors would not be here contributing \$1.4 billion into our economy. Capital investment is shrewd and will go where it has the best potential with the least risk. I believe that not extending Act 221 will equate to the loss of good-paying jobs for our people and work against diversifying our economy. Act 221 attracts the international and local investor, and high-technology companies that could take their money or ideas anywhere on the globe, and gets them to say, 'let's try Hawai'i.'

"Our goal to educate our *keiki* in science, technology, engineering, and math, otherwise known as STEM, will only be halfway achieved if we are unable to find local jobs for them in the future.

"Td like to introduce to you five individuals of the very many, who have been able to live in Hawai'i due to Act 221. If you can just rise when I introduce you, and if you can hold your applause. Tamotsu Hirai, Laboratory Technician at Kuehnle Agrosystems has been able to live close to his family and has the job he desires in this field of work. Teri Wong, Scientist at Panthera Biopharma, is an Aiea High School and Washington State Graduate. Darren Kimura, CEO of Sopagy, a leader in micro-CSP technologies, born and raised in Hilo. Keiki Pua Dancil, a Kamehameha graduate was brought home as a director of research and development after graduating from Santa Clara University, Harvard Business School, and earned her PhD from UC San Diego. And Henk Rogers, CEO of Blue Planet Software, who studied computer science at our University of Hawai'i and successfully sold his first 221 company and now three new ones in his incubator. Everybody, let's welcome them.

"People of Hawai'i, the future is now. On New Year's day, the Akiona side of our family started a new annual tradition. We potlucked *saimin*. My husband Peter and I brought the *saimin* noodles and *dashi*, while everyone else brought their favorite garnish. Peter and I started to debate if *saimin* was of Japanese or Chinese origin. And what I learned brought so much more meaning to our new tradition. *Saimin* means, thin noodle. Living on the plantation, all of the different ethnic groups would come together to cook communally. Each group offered up what they could spare in order to save money and create a meal for all. Most likely *dashi* and *kamabuko* was from the Japanese, noodles and *won bok* from the Chinese, green onions from the Filipinos and so on.

"I share this story not only because my grandparents were plantation laborers who came from the Philippines in search for a better life for the generations to follow. But because I'm reminded in tough times we need to pull together. Whether employee or employer, economic or environmental, old or new, Democrat or Republican, Executive or Legislative, like the example of the different cultures working together in the plantations, we bring our differences to the table and create benefits for all.

"We must focus on keeping businesses open and labor working while staying committed to creating a better future for Hawaii's generations to come. Tough times are here, but if we are committed to coming together, we will forge a better tomorrow. Mahalo and Aloha."

The Chair then recognized Representative B. Oshiro, the Majority Leader, who rose and responded:

"Thank you, Mr. Speaker, Governor Lingle, Chief Justice Moon, Lt. Governor Aiona, Mrs. Aiona, Chair Apoliona, House colleagues, honored guests, members, and friends.

"Today is a very exciting and inspirational day, but we're really lucky because we got to build on yesterday. Yesterday was such a historic and momentous occasion with the inauguration. Because despite the uncertainty that may be swirling about in these economic times, there literally was an electricity charged in the air. It really was about change, and our newly inaugurated President Barack Obama.

"But you know, change can't just be for changes sake, because sometimes change can take many different forms. Change can manifest into tragedy, sometimes into sudden and complete loss, such as the kind of change that the House is going to experience with the loss of Representative Bob Nakasone. In these times there will be many, many, many days when we'll miss his insight, his wisdom and his advice.

"But change can also be transformative. It can be evolutionary. Just as with our new President, it can bring the much needed hope. Such change in hope will be embodied by our newest additions to our Majority Caucus. So I'd like to take a brief moment to introduce them to all of you. If you could please hold your applause until they've all stood up.

"First we have Representative Henry Aquino of District 35, Pearl City and Waipahu. Next we have Representative Isaac Choy of District 24, Manoa, University. Next we have Representative Denny Coffman of District 6, North Kona, Kailua-Kona. Representative Gil Keith-Agaran of District 9, Kahului, Wailuku. Representative Chris Lee of District 51, Lanikai, Waimanalo. Representative Mark Nakashima of District 1 Kohala, Hamakua and Hilo. And finally, Representative Jessica Wooley of District 47, Laie, Kahana, Kahaluu and Kaneohoe.

"I got to work with all of these Representatives and I can tell you that their commitment, their vision, but mostly their hope that they will be bringing to our Caucus is really important. Because as you stated Mr. Speaker, our State Budget will be the major challenge. But the struggle is also an opportunity to reexamine, to reevaluate, and to reprioritize. As posed by President Barack Obama during his inauguration address, the question is not whether government is too big or too small. Instead, the question is whether government is improving the lives of its people, and doing so effectively and efficiently. That is really the task at hand for the Legislature.

"First, what we really must do is be smarter about how we spend taxpayer dollars. In these times, where every dollar is precious, we cannot, and should not allow an agency to be found to spend an excess of \$34 million on voting machines, because they failed to do a cost-benefit analysis.

"We cannot and will not tolerate the Auditor finding that contracts spent millions of dollars in tourism marketing, without any performance standards or ways to measure success. Because what this really gets to is procurement.

"And I know, Procurement, just saying that word sometimes people's eyes glaze over, their eyes roll into the back of their heads, because it's kind of a boring topic. But if you really understand procurement, it's about how we spend government dollars. Where do we want it directed, what do we want to prioritize, and what's important?

"For example, our laws already have a preference for local small businesses, for local farmers. It's kind of like the Buy America Act. Also, in 2006, we have a small business set-aside, so that small businesses are supposed to be given State contracts.

"But despite everything that we have in the law, nothing is happening. Local farmers, local small businesses are not enjoying the benefit of this policy. But do you know why? And it's really strange. It's because we have these rules that are supposed to implement the laws, but what they do

is they exempt out fresh produce, fresh meats, and foods. I know, how can? When I was a kid, when things just never made sense, I would go, 'How can?' Right?

"So it's really the question, like how can the laws we pass and provide for local farmers and small businesses, how can we have those things in the rules? How can we have that in the laws, but the rules take that away? Therefore, one of the things we must do is get rid of these ridiculous rules. Our local small businesses, our local farmers deserve better. They need better

"Because this isn't only about how we spend taxpayer dollars, but it's also about moving us toward self-sufficiency. When we speak of self-sufficiency and its effect on the economy, nowhere is that need more dire than our addiction on imported fossil fuels. As already stated by the Minority Leader, we spend anywhere from \$5 to \$7 billion annually on fossil fuels, feeding our need for energy. And that's despite being uniquely situated in a place where we have solar, wind, wave, renewable energy opportunities that for some reason we just aren't able to harvest.

"The goals are clearly set though. We have the Renewable Portfolio Standards at 20 percent by 2020. And also, we have the agreement between Hawaiian Electric and the Administration to be at 70 percent by 2030. But the bigger question is, how do we get there? The Hawaii Clean Energy Initiative has a plan. I think it's a good one, but the House Majority also will be looking at alternative ways, instead of necessarily mandates, maybe what we want to do is look at ways where we can empower our counties, empower our communities, empower economies themselves, so that they build from the ground level up. And that's going to be our focus.

"And in speaking about building capacity infrastructure, the House Majority will also be focusing on the State's literal infrastructure as a much needed way to invest funds continuing to 'prime the pump' and keep revenues circulating in this economy. Most importantly, it will help us keep our citizens employed.

"We're extremely fortunate to have our Congressional delegation. They have been working closely with us to understand and communicate our priority projects to the federal government and the new Administration. But we can't just rely on the federal government, for we must be able to do for ourselves. Towards that end, our Governor and her Administration have really come up with some bold and innovative proposals, looking at possible infrastructure and investment improvements in highways and our recreational areas. These must be given serious consideration, because at the end of the day, what this brings us to is an area of collaboration.

"Moving into this Session, we've really seen efforts at collaboration and communication between the Executive Branch and the Legislature. Sometimes in the past, it may have just appeared to be missing. But these are really welcomed changes, and we hope that they will continue, because seriously, it's really only by putting our collective heads and hearts together that we will be able to strive and overcome the difficult issues we face ahead.

"Okay, now don't get too excited because it's not like we will be singing Kum Ba Yah, sitting around, holding hands, but I think the people expect us to agree whenever we can, but they know there are going to be times when we simply disagree. For example, the House Majority will fight the termination of Keiki Care. This was one of the first programs in the nation, an innovative and quintessential public-private partnership to ensure that no child is left without health insurance. And it did it all at an extremely modest cost. So we will be doing everything we can to ensure the continuance of this program.

"I really anticipate that this will be just one of several examples where we may strongly disagree, and vehemently disagree with the administration, its positions and its decisions. But what the Majority is committed to is not to be about blame, not to be about taking credit or taking credit away from anyone.

"I want to give a great, great quote that describes the public's perception of political parties and the disparateness between political parties. Our new President, Barack Obama in his book, <u>The Audacity of Hope</u> states that, the public is waiting for a politics with the maturity to balance idealism and realism, to distinguish between what can and cannot be compromised, to admit the possibility that sometimes the other side just may have a point. They don't always understand the arguments between right and left, conservative and liberal, but the public does recognize the difference between dogma and common sense, responsibility and irresponsibility, between those things that last and those things that are fleeting.

"The public is out there waiting for Republicans and Democrats to catch up to them. The public should not have to wait any longer, because at the end of the day, at the end of this Session, we must be judged as having done our best to live up to the oath that we have sworn to today. That we faithfully discharged our duties to the best of our ability. Thank you very much, and mahalo."

INTRODUCTION OF RESOLUTION

The following resolution (H.R. No. 5) was read by the Clerk and disposed of as follows:

H.R. No. 5, entitled: "HOUSE RESOLUTION SENDING MESSAGES THAT THE HOUSE OF REPRESENTATIVES OF THE TWENTY-FIFTH LEGISLATURE HAS ASSEMBLED AND IS READY TO TRANSACT BUSINESS," informing the Senate and the Governor that the House of Representatives has assembled and is ready to transact business with the following officers: Calvin K.Y. Say, Speaker, Michael Y. Magaoay, Vice Speaker; Patricia Mau-Shimizu, Chief Clerk; Kevin R. Kuroda, Sergeant-at-Arms; C.J. Leong, Assistant Clerk; and Leonard Paresa, Jr., Assistant Sergeant-at-Arms, was jointly offered by Representatives B. Oshiro and Finnegan.

On motion by Representative B. Oshiro, seconded by Representative Finnegan and carried, H.R. No. 5 was adopted.

At this time, the Chair appointed the Sergeant-at-Arms to escort Superintendent Patricia Hamamoto to the rostrum.

Superintendant Hamamoto then offered the benediction.

ADJOURNMENT

At 12:36 o'clock p.m., on motion by Representative Evans, seconded by Representative Pine and carried, the House of Representatives adjourned until 12:00 o'clock noon tomorrow, Thursday, January 22, 2009.